

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Colin Flaherty was, at all times relevant to this matter, the owner of Flaherty Communications, a public relations firm located in Encinitas, and formerly located in San Diego. Flaherty Communications operated from Respondent's home, and was a sole proprietorship, until its incorporation on or about July 17, 1998.

At all times relevant to this matter, Respondent, in combination with his public relations firm, Flaherty Communications, was a "major donor committee," with certain filing and reporting obligations under the Political Reform Act (the "Act").<sup>1</sup> In 1997 and 1998, Respondent became a major donor committee, as that term is defined in Section 82013, subdivision (c), upon making contributions totaling \$10,000 or more in each of those calendar years.

At all times relevant to this matter, Respondent's biggest business client was Barratt American Homes, a Carlsbad developer with projects throughout Southern California, including the City of Perris.

On or about and between July 1, 1997 and September 9, 1998, Respondent engaged in a pattern of campaign money laundering, and campaign non-disclosure, as described in Counts 1 through 38 of this Default Decision and Order. The majority of the laundered contributions were made to secretly finance a slate of candidates in the City of Perris that he perceived as favorable to a project of his client, Barratt American Homes, and to a committee primarily formed to support those candidates. These actions of Respondent, as herein stated, are in violation of the law and public policies of the State of California.

For the purposes of this Default Decision and Order, Respondent's violations of the Act are stated as follows:

**COUNT 1:** On or about July 1, 1997, Respondent Colin Flaherty made a campaign contribution to San Marcos City Council candidate Hal Martin in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

**COUNT 2:** On or about July 1, 1997, Respondent Colin Flaherty made a campaign contribution to San Marcos City Council candidate Vince Andrade in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

- COUNT 3: On or about July 12, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 4: On or about July 12, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 5: On or about August 25, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 6: On or about August 25, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 7: On or about August 26, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Bradley Boswell, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 8: On or about August 26, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Bradley Boswell, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 9: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Rudolph Murillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 10: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Rudolph Murillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 11: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Mauralee Ramirez, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 12: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Mauralee

- Ramirez, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 13: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Anne Cain, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 14: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Anne Cain, a name other than his own legal name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 15: On or about September 15, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 16: On or about September 17, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Brian Devine, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 17: On or about September 19, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 18: On or about October 2, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 19: On or about October 2, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 20: On or about October 6, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Brian Minichillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 21: On or about October 6, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Brian Minichillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

- COUNT 22: On or about October 6, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Brian Minichillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 23: On or about October 7, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 24: On or about October 7, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 25: On or about October 7, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 26: On or about October 14, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 27: On or about October 16, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Mauralee Ramirez, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 28: On or about October 21, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 29: On or about October 21, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 30: On or about October 22, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.
- COUNT 31: On or about October 22, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in

the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

COUNT 32: On or about October 23, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Karen Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

COUNT 33: On or about October 23, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Anne Cain, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

COUNT 34: On or about October 23, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Brian Devine, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

COUNT 35: On or about September 9, 1998, Respondent Colin Flaherty made a campaign contribution to Encinitas City Council candidate John Davis in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

COUNT 36: On or about September 9, 1998, Respondent Colin Flaherty made a campaign contribution to Encinitas mayoral candidate Lou Aspell in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

COUNT 37: In 1997, Respondent Colin Flaherty made campaign contributions in excess of \$10,000 but failed to file a semi-annual major donor committee statement, in violation of section 84200, subdivision (b) of the Government Code.

COUNT 38: In 1998, Respondent Colin Flaherty made campaign contributions in excess of \$10,000 but failed to file a semi-annual major donor committee statement, in violation of section 84200, subdivision (b) of the Government Code.

### **STATEMENT OF THE CASE**

An enforcement action was initiated against Respondent with a Report in Support of a Finding of Probable Cause being personally served on Respondent, on June 27, 2002. Along with the Report in Support of a Finding of Probable Cause, Respondent was served with documents explaining the administrative enforcement process and informing him that he had 21 days in which to request a probable cause conference with the Executive Director, and to file a written response to the probable cause report, to present any defenses he may have. On or about July 26, 2002, James R. Sutton, of the Law Offices of Nielsen, Merksamer, Parrinello, Mueller & Naylor, notified Senior Commission Counsel Deanne Canar, of the Enforcement Division, that he would be representing Respondent in this matter. Respondent did not request a probable cause conference, although one

had been reserved for him on September 4, 2002, or file a written response to the probable cause report. On July 30, 2002, the Enforcement Division filed an ex parte application requesting that the probable cause conference, reserved for Respondent on September 4, 2002, be taken off calendar, and that the Executive Director make a finding of probable cause, as to each of the 38 counts alleged in the probable cause report, based solely on the information contained in the probable cause report. Respondent received notice of this request through his attorney, James R. Sutton. Respondent did not object to the ex parte application. On September 4, 2002, Executive Director Mark Krausse issued an Order Finding Probable Cause, as to each of the 38 counts alleged in the probable cause report. On September 6, 2002, the Order Finding Probable Cause was served on Respondent through his attorney, James R. Sutton. On December 16, 2002, James R. Sutton notified Senior Commission Counsel Deanne Canar that his firm no longer represented Respondent in this matter.

On May 16, 2003, Respondent was personally served with an Accusation in this matter. Along with the Accusation, Respondent was served with a "Statement to Respondent," which explains the statutory requirement that Respondent return a Notice of Defense within 15 days or else he will have waived his right to a hearing. Respondent was also served with two copies of the Notice of Defense form, a copy of the Order Finding Probable Cause, and copies of relevant portions of the Act. On May 16, 2003, the day he was served with the Accusation, Respondent called Senior Commission Counsel Deanne Canar to inquire if the Accusation was public, and how long he had to file a Notice of Defense. Respondent stated that he had not decided if he was going to file a Notice of Defense requesting a hearing, or hire an attorney to represent him in this matter. Respondent did not file a Notice of Defense within the 15-day response period and, other than the telephone call of May 16, 2003, the Enforcement Division has not received any communication from Respondent since he was served with the Accusation.

### **THE ADMINISTRATIVE PROCEDURE ACT**

Pursuant to the California Administrative Procedure Act (the "APA"),<sup>2</sup> a respondent is entitled to a hearing on the merits of an Accusation if the respondent files a Notice of Defense within 15 days after service of the Accusation. (Section 11506.) The APA further provides that a respondent's failure to file a Notice of Defense within 15 days after service of an Accusation constitutes a waiver of the respondent's right to a hearing. (Section 11506, subdivision (c).) A default decision may be issued if the respondent fails to file a Notice of Defense within 15 days of service of the Accusation. (Section 11520, subdivision (a).)

On May 16, 2003, the Accusation in this matter was personally served on Respondent. Proof of service of the Accusation is attached hereto as Attachment A. Along with the Accusation, the Enforcement Division served Respondent with a "Statement to Respondent," which notified him that he could request a hearing on the merits and warned him that, unless he filed a Notice of Defense within fifteen days of service of the Accusation, he would be deemed to have waived his right to a hearing. Respondent has failed to file a Notice of Defense.

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<sup>2</sup> The Administrative Procedure Act is contained in sections 11370 through 11529 of the Government Code.

## **SUMMARY OF THE LAW**

### **Prohibitions: Making Contributions in the Name of Another Person**

One of the stated purposes of the Act, as set forth in Section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. The Act provides for the full disclosure of receipts and expenditures in election campaigns through the regular filing of campaign statements as provided in Sections 84200 through 84211.

In order to obtain disclosure of the true source of campaign contributions, Section 84301 prohibits contributions from being made, directly or indirectly, by any person in a name other than that by which the contributor is identified for legal purposes (a practice commonly referred to as “campaign money laundering.”) Section 84300, subdivision (c) prohibits making campaign contributions of \$100 or more unless the contributions are made by way of a written instrument containing the names of both the actual donor and the real payee.

### **Major Donor Committee: Filing Requirements**

Section 82013, subdivision (c) defines the term “committee” to include any person or combination of persons who directly or indirectly makes contributions totaling \$10,000 or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Section 82015 and Regulation 18215 define a “contribution” as any payment made for political purposes without full and adequate consideration. Section 82015, subdivision (b)(2)(B) states that a payment is made for political purposes if it is received by or made at the behest of a candidate, unless it is clear from the surrounding circumstances that the payment was made for purposes unrelated to his or her candidacy for elective office. Under Regulation 18225.7, a payment is made at the behest of a candidate if it is made in cooperation, consultation, coordination, or concert with the candidate. The Act’s definition of “contribution” also includes an “in-kind” or non-monetary contribution. Under Section 82015, subdivision (c) and Regulation 18215, subdivision (b)(3), an in-kind or non-monetary contribution includes any goods or services received or behested by a candidate or committee at no charge or at a discount from the fair market, unless the same discount is given in the regular course of business to members of the public.

Section 82047 defines a “person” as an “individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.” Under Regulation 18428, the contributions of any entity whose contribution decisions are directed or controlled by one individual shall be cumulated with contributions made by that individual for reporting purposes. The individual and the affiliated entity must file campaign statements as a major donor committee, in the name of the individual, if their combined contributions total \$10,000 or more in a calendar year.

Section 84200, subdivision (b) requires a major donor committee to file semi-annual campaign statements each year, if the major donor has made contributions during the six-month

period before the closing date of the statements. One semi-annual statement, covering the period January 1 through June 30, is required to be filed by July 31. Another semi-annual statement, covering the period July 1 through December 31, is required to be filed by January 31 of the following year. Whenever either of the filing deadlines fall on a Saturday, Sunday, or legal holiday, Regulation 18116 extends the filing deadline to the next regular business day. If no previous campaign statement has been filed, Section 82046, subdivision (b) provides that the period covered by the statement begins on January 1.

## SUMMARY OF THE FACTS

In an interview conducted by Supervising Commission Investigator Dennis Pellón on October 31, 2000, Respondent Colin Flaherty stated that he is, and was at all times pertinent hereto, the owner of Flaherty Communications, a public relations firm located in Encinitas, and formerly located in San Diego. The firm, which operated out of Respondent's home, was a sole proprietorship, until its incorporation on or about July 17, 1998.<sup>3</sup>

Respondent told Supervising Investigator Dennis Pellón, in the interview on October 31, 2000, that he solicited campaign contributions for candidates on behalf of Barratt American Homes, a Carlsbad homebuilder with projects throughout Southern California, including the City of Perris. Respondent said that Barratt American Homes was his biggest client at the time, and that while Barratt American Homes had received permission to build a large residential subdivision in the City of Perris ("McCanna Ranch," now "Village of Avalon"), it was hoping to revise the conditions of the city's approval regarding the project. He went on to say during the same interview that Al Landers, a Perris City Councilman and candidate for Perris mayor in 1997, was in support of the changes his client was seeking for McCanna Ranch.

As discussed in detail below, Respondent executed a money laundering scheme to inject money into the campaigns of Perris candidates, while concealing himself as the source of the contributions. He did this by asking independent contractors,<sup>4</sup> friends, relatives, and others to make campaign contributions, and then reimbursing those persons for their contributions.

Through execution of the money laundering scheme, Respondent was the true source of the following campaign contributions, listed in the order of the counts in this action to which those contributions correspond:

CT	DATE	INTERMEDIARY	RECIPIENT AND AMOUNT	SOURCE <sup>5</sup> AMOUNT AND DATE <sup>6</sup>
1	7/01/97	Lisa Ross	Hal Martin \$95.00	CF#1603 \$190.00 – 6/30/97
2	7/01/97	Lisa Ross	Vince Andrade \$95.00	See above

<sup>3</sup> Corporation #C2090234, information provided by the Secretary of State's office.

<sup>4</sup> The persons who worked for Respondent were treated as independent contractors, not as employees.

<sup>5</sup> CF# stands for a check drawn on Respondent's personal account, Colin Flaherty. FC# stands for a check drawn on Respondent's business account, Flaherty Communications.

<sup>6</sup> In some counts, the date of the reimbursement check was illegible or omitted. For those, the date used is the date of deposit, as shown on the intermediary's bank statement or deposit slip, or the date paid, as shown on Respondent's bank statement.



3	7/12/97	Lisa Ross	Raul Mark Yarbrough	\$95.00	CF#1631 \$200.00 – 7/14/97
4	7/12/97	Lisa Ross	Al Landers	\$95.00	See above
5	8/25/97	Arthur J. Johnston	Raul Mark Yarbrough	\$95.00	CF#1287 \$200.00 – 8/27/97
6	8/25/97	Arthur J. Johnston	Al Landers	\$95.00	See above
7	8/26/97	Bradley Boswell	Raul Mark Yarbrough	\$95.00	CF#1286 \$200.00 – 8/29/97
8	8/26/97	Bradley Boswell	Al Landers	\$95.00	See above
9	8/27/97	Rudolph Murillo	Raul Mark Yarbrough	\$95.00	CF#1285 \$200.00 – 8/27/97
10	8/27/97	Rudolph Murillo	Al Landers	\$95.00	See above
11	8/27/97	Mauralee Ramirez	Raul Mark Yarbrough	\$95.00	CF#1290 \$225.00 – 8/28/97
12	8/27/97	Mauralee Ramirez	Al Landers	\$95.00	See above
13	8/27/97	Anne Cain	Raul Mark Yarbrough	\$95.00	CF#1291 \$190.00 – 8/29/97
14	8/27/97	Anne Cain	Al Landers	\$95.00	See above
15	9/15/97	Arthur J. Johnston	Cecilia Larios	\$95.00	CF#1599 \$100.00 – 9/17/97
16	9/17/97	Brian Devine	Cecilia Larios	\$95.00	FC#44320 \$295.00 – 9/17/97
17	9/19/97	Lisa Ross	Cecilia Larios	\$95.00	CF#1614 \$100.00 – 9/15/97
18	10/02/97	Mimi Le	Raul Mark Yarbrough	\$95.00	FC#1344 \$905.00 – 9/29/97
19	10/02/97	Mimi Le	Al Landers	\$95.00	See above
20	10/06/97	Brian Minichillo	Al Landers	\$95.00	Cash \$285.00 – 10/08/97
21	10/06/97	Brian Minichillo	Raul Mark Yarbrough	\$95.00	See above
22	10/06/97	Brian Minichillo	Cecila Larios	\$95.00	See above
23	10/07/97	Michael Flaherty	Al Landers	\$95.00	Cash \$500.00 – 10/07//97 FC#1360 \$550.00 – 10/23/97
24	10/07/97	Michael Flaherty	Raul Mark Yarbrough	\$95.00	See above
25	10/07/97	Michael Flaherty	Cecilia Larios	\$95.00	See above
26	10/14/97	Arthur J. Johnston	Riverside Coalition	\$250.00	Cash \$250.00 – 10/16/97
27	10/16/97	Mauralee Ramirez	Riverside Coalition	\$250.00	FC#1366 \$350.00 – 10/16/97
28	10/21/97	Mimi Le	Cecilia Larios	\$95.00	CF#1618 \$100.00 – 10/22/97
29	10/21/97	Mimi Le	Riverside Coalition	\$250.00	FC#1356 \$1251.00–10/30/97

30	10/22/97	Lisa Ross	Riverside Coalition	\$250.00	FC#1399 \$350.00 – 10/22/97
31	10/22/97	Michael Flaherty	Riverside Coalition	\$200.00	FC#1360 \$550.00 – 10/23/97
32	10/23/97	Karen Flaherty	Riverside Coalition	\$200.00	See above
33	10/23/97	Anne Cain	Riverside Coalition	\$250.00	FC#1396 \$450.00 – 10/23/97
34	10/23/97	Brian Devine	Riverside Coalition	\$250.00	CF#1392 \$500.00 – 11/14/97
35	9/09/98	Arthur J. Johnston	John Davis	\$99.00	Cash \$200.00 – 9/08/98
36	9/09/98	Arthur J. Johnston	Lou Aspell	\$99.00	See above
	Total			\$4,568.00	

By making thirty-six (36) contributions in names other than his own legal name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 1: On or about July 1, 1997, Respondent Colin Flaherty made a campaign contribution to San Marcos City Council candidate Hal Martin in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

Supervising Commission Investigator Dennis Pellón conducted two interviews with Lisa Ross, also known as Lisa Ross-Woolson, on September 25, 2000 and December 20, 2000. In those interviews, Ross stated that she is, and was, at all times pertinent hereto, a long-time friend and colleague of Respondent, and a self-employed media consultant in San Diego, who did some work for Respondent in 1997 and 1998. In the interview on December 20, 2000, she stated that she was an unsuccessful candidate for San Diego District 1 City Council in 2000, and that Respondent was her unpaid advisor.

A photocopy of canceled check #5412, from Ross' checking account, establishes that on or about July 1, 1997, Lisa Ross made a campaign contribution to San Marcos City Council candidate Hal Martin, by issuing a check to the "Hal Martin Committee" for \$95.00. According to a campaign statement filed by the Committee To Elect Hal Martin for the reporting period 7/1/97-12/31/97, Hal Martin was a candidate for San Marcos City Council. Ross told Supervising Investigator Pellón, in the interview on December 20, 2000, that she made this contribution, as well as the contribution alleged in Count 2, at the behest of Respondent, and that she gave the contribution checks to Respondent. She explained that she did not know Hal Martin, or the city in which he ran.

According to the campaign statement referenced above, the Committee To Elect Hal Martin received Lisa Ross' \$95.00 check on or about July 1, 1997.

A photocopy of canceled check #1603, from Respondent's personal bank account, and the bank records of Ross, further establish that Respondent was the true source of the Ross contribution to San Marcos City Council candidate Hal Martin. Before the contribution check was issued, on or about June 30, 1997, Respondent reimbursed Lisa Ross for her campaign contribution to the Hal

Martin Committee, by issuing a check to “Lisa Ross” from his personal checking account for \$190.00, which Ross subsequently deposited into her personal joint checking account. In her interview on December 20, 2000, Ross stated that she had no idea why Respondent issued this personal check to her for \$190.00.

By making a \$95.00 contribution to the campaign of Hal Martin in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 2: On or about July 1, 1997, Respondent Colin Flaherty made a campaign contribution to San Marcos City Council candidate Vince Andrade in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 1, Lisa Ross told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 25, 2000 and December 20, 2000, that she is, and was at all times pertinent hereto, a long-time friend and professional colleague of Respondent, and a self-employed media consultant who did some work for Respondent in 1997 and 1998.

A photocopy of canceled check #5413, from Ross’ checking account, establishes that on or about July 1, 1997, Lisa Ross made a campaign contribution to San Marcos City Council candidate Vince Andrade, by issuing a check to the Vince Andrade committee for \$95.00. According to a campaign statement filed by the Friends of Vince Andrade for the reporting period 7/1/97-12/31/97, Vince Andrade was a candidate for the San Marcos City Council. Ross told Supervising Investigator Pellón, in the interview on December 20, 2000, that she made this contribution, as well as the contribution alleged in Count 1, at the behest of Respondent, and that she gave the contribution checks to Respondent.

According to a handwritten endorsement, and other information stamped on the check, the “Friends of Vince Andrade” received Ross’ \$95.00 check, and deposited it on or about July 3, 1997.

A photocopy of canceled check #1603, from Respondent’s personal bank account, and the bank records of Ross, further establish that Respondent was the true source of the Ross contribution to San Marcos City Council candidate Vince Andrade. Before the contribution check was issued, on or about June 30, 1997, Respondent reimbursed Lisa Ross for her campaign contribution to the Vince Andrade committee, by issuing a check to “Lisa Ross” from his personal checking account for \$190.00, which Ross subsequently deposited into her personal joint checking account. As noted in Count 1, in her interview on December 20, 2000, Ross could not explain why Respondent issued this personal check to her for \$190.00.

By making a \$95.00 contribution to the campaign of Vince Andrade in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 3: On or about July 12, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 1 and 2, Lisa Ross told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 25, 2000 and December 20, 2000, that she is, and was

at all times pertinent hereto, a long-time friend and professional colleague of Respondent, and a self-employed media consultant who did some work for Respondent in 1997 and 1998.

A photocopy of canceled check #8918, from Ross' personal joint checking account, establishes that on or about July 12, 1997, Lisa Ross made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to "Raul Mark Yarbrough" for \$95.00. Ross told Supervising Investigator Pellón, in the interview on December 20, 2000, that the check was a campaign contribution to Mark Yarbrough, whom she knew to be a candidate for the Perris City Council. She went on to say during the same interview that she made this contribution, as well as the contribution alleged in Count 4, at the behest of Respondent, and that she gave the contribution checks to Respondent.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Ross' \$95.00 check, and deposited it on or about July 17, 1997.

A photocopy of canceled check #1631, from Respondent's personal bank account, and the bank records of Ross, further establish that Respondent was the true source of the Ross contribution to Perris City Council candidate Raul Mark Yarbrough. After the contribution check was issued, on or about July 14, 1997, Respondent reimbursed Lisa Ross for her campaign contribution to Raul Mark Yarbrough, by issuing a check to "Lisa Ross-Woolson" from his personal checking account for \$200.00, which Ross subsequently deposited into her personal joint checking account. In her interview on December 20, 2000, Ross stated that she did not know why Respondent issued this personal check to her for \$200.00.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 4: On or about July 12, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 1 through 3, Lisa Ross told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 25, 2000 and December 20, 2000, that she is, and was at all times pertinent hereto, a long-time friend and professional colleague of Respondent, and a self-employed media consultant who did some work for Respondent in 1997 and 1998.

A photocopy of canceled check #8917, from Ross' personal joint checking account, establishes that on or about July 12, 1997, Lisa Ross made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Al Landers" for \$95.00. Ross told Supervising Investigator Pellón, in the interview on December 20, 2000, that the check was a campaign contribution to Al Landers, whom she knew to be a candidate for mayor in the City of Perris. She went on to say during the same interview that she made this contribution, as well as the contribution alleged in Count 3, at the behest of Respondent, and that she gave the contribution checks to Respondent.

According to a handwritten endorsement, and other information stamped on the check, Al Landers received Ross' \$95.00 check, and deposited it on or about July 16, 1997.

A photocopy of canceled check #1631, from Respondent's personal bank account, and the bank records of Ross, further establish that Respondent was the true source of the Ross contribution to Perris mayoral candidate Al Landers. After the contribution check was issued, on or about July 14, 1997, Respondent reimbursed Lisa Ross for her contribution to Al Landers, by issuing a check to "Lisa Ross-Woolson" from his personal checking account for \$200.00, which Ross subsequently deposited into her personal joint checking account. As noted in Count 3, in her interview on December 20, 2000, Ross could not explain why Respondent issued this personal check to her for \$200.00.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 5: On or about August 25, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

Supervising Commission Investigator Dennis Pellón conducted three interviews with Arthur J. ("Jim") Johnston, on September 26, 2000, December 19, 2000, and June 2, 2003. In those interviews, Johnston stated that he is, and was at all times pertinent hereto, a long-time friend of Respondent, and a self-employed marketing consultant in San Diego, who did work for Respondent in 1997 and 1998.

A photocopy of canceled check #3690, from Johnston's personal checking account, establishes that on or about August 25, 1997, Johnston made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to "Yarbrough for Council" for \$95.00. Johnston told Supervising Investigator Pellón, in the interviews on December 19, 2000 and June 2, 2003, that the check was a campaign contribution to Mark Yarbrough, whom he knew to be a candidate for the Perris City Council. He went on to say during those interviews that he made this contribution, as well as the contribution alleged in Count 6, at the behest of Respondent, and that he gave the contribution checks to Respondent.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Johnston's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1287, from Respondent's personal bank account, and the bank records and admission of Johnston, further establish that Respondent was the true source of the Johnston contribution to Perris City Council candidate Raul Mark Yarbrough. After the contribution check was issued, on or about August 27, 1997, Respondent reimbursed Jim Johnston for his contribution to Yarbrough for Council, by issuing a check to "Jim Johnston" from his personal checking account for \$200.00, which Johnston subsequently deposited into his personal checking account.

In his interview with Supervising Investigator Pellón on June 2, 2003, Johnston stated that the \$200 check from Respondent was reimbursement for his campaign contribution to Yarbrough, and for the contribution alleged in Count 6, and that he received the \$200 check from Respondent at Respondent's home, where Respondent lived and worked. Johnston went on to say during the same interview that Respondent offered to reimburse him at the same time that he solicited the contribution.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 6: On or about August 25, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 5, Arthur J. ("Jim") Johnston told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 26, 2000, December 19, 2000, and June 2, 2003 that he is, and was at all times pertinent hereto, a long-time friend of Respondent, and a self-employed marketing consultant who did work for Respondent in 1997 and 1998.

A photocopy of canceled check #3689, from Johnston's personal checking account, establishes that on or about August 25, 1997, Jim Johnston made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Al Landers Mayor" for \$95.00. Johnston told Supervising Investigator Pellón, in the interviews on December 19, 2000 and June 2, 2003, that the check was a campaign contribution to Al Landers, whom he knew to be a candidate for mayor in the City of Perris. He went on to say during those interviews that he made this contribution, as well as the contribution alleged in Count 5, at the behest of Respondent, and that he gave the contribution checks to Respondent.

According to campaign records for the Committee To Elect Al Landers, the Landers campaign received Johnston's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1287, from Respondent's personal bank account, and the bank records and admission of Johnston, further establish that Respondent was the true source of the Johnston contribution to Perris mayoral candidate Al Landers. After the contribution check was issued, on or about August 27, 1997, Respondent reimbursed Johnston for his contribution to Al Landers Mayor, by issuing a check to "Jim Johnston" from his personal checking account for \$200.00, which Johnston subsequently deposited into his personal checking account.

As noted in Count 5, in his interview on June 2, 2003, Johnston stated that the \$200 check from Respondent was reimbursement for his campaign contribution to Landers, and that Respondent offered to reimburse him at the same time that he solicited the contribution.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 7: On or about August 26, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Bradley Boswell, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

The Enforcement Division conducted two interviews with Bradley (“Brad”) Boswell, on September 20, 2000 and February 20, 2001. In those interviews, Boswell told Supervising Investigator Dennis Pellón and Investigator Don McCormick that he is, and was at all times pertinent hereto, a long-time friend of Respondent, an insurance broker, and a free-lance writer in San Diego, who did some work for Respondent in 1998.

A photocopy of canceled check #3178, from Boswell’s personal checking account, establishes that on or about August 26, 1997, Boswell made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to “Yarbrough for Council” for \$95.00. Boswell told Supervising Investigator Pellón, in the interview on February 20, 2001, that the check was a campaign contribution to Mark Yarbrough, whom he knew to be a candidate for the Perris City Council. He went on to say during the interview that he made this contribution, as well as the contribution alleged in Count 8, at the suggestion of Respondent, and that he gave the contribution checks to Respondent. He said that Respondent told him the candidates were “pro-growth.”

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Boswell’s \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1286, from Respondent’s personal bank account, and the bank records of Boswell, further establish that Respondent was the true source of the Boswell contribution to Perris City Council candidate Raul Mark Yarbrough. After the contribution check was issued, Respondent reimbursed Bradley Boswell for his contribution to Yarbrough for Council, by issuing a check to “Brad Boswell” from his personal checking account for \$200.00, which Boswell deposited into his personal checking account on or about August 29, 1997.

In both of his interviews, Boswell denied being reimbursed for his campaign contribution to Yarbrough, and for the contribution alleged in Count 8. In his interview on February 20, 2001, Boswell could not explain why Respondent issued this personal check to him for \$200.00. Boswell stated to Supervising Investigator Pellón that he was aware that reimbursement for campaign contributions is illegal in California.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 8: On or about August 26, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Bradley Boswell, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 7, Bradley (“Brad”) Boswell told Supervising Commission Investigator Dennis Pellón and Investigator Don McCormick, in interviews conducted on September 20, 2000 and

February 20, 2001, that he is, and was at all times pertinent hereto, a long-time friend of Respondent, an insurance broker, and a free-lance writer who did some work for Respondent in 1998.

A photocopy of canceled check #3177, from Boswell's personal checking account, establishes that on or about August 26, 1997, Boswell made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Landers for Mayor" for \$95.00. Boswell told Supervising Investigator Pellón, in the interview on February 20, 2001, that the check was a campaign contribution to Al Landers, whom he knew to be a candidate for mayor in the City of Perris. He went on to say during the same interview that he made this contribution, as well as the contribution alleged in Count 7, at the suggestion of Respondent, and that he gave the contribution checks to Respondent. He said that Respondent told him the candidates were "pro-growth."

According to the campaign bank account records for the Committee To Elect Al Landers, the Landers campaign received Boswell's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1286, from Respondent's personal bank account, and the bank records of Boswell, further establish that Respondent was the true source of the Boswell contribution to Perris mayoral candidate Al Landers. After the contribution check was issued, Respondent reimbursed Bradley Boswell for his contribution to Landers for Mayor, by issuing a check to "Brad Boswell" from his personal checking account for \$200.00, which Boswell deposited into his personal checking account on or about August 29, 1997.

As noted in Count 7, while Boswell denied being reimbursed for his campaign contribution to Yarbrough, and for the contribution to Landers in Count 8, he could not explain why Respondent issued this personal check to him for \$200.00. Boswell was aware that reimbursement for campaign contributions is illegal in California.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 9: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Rudolph Murillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

The Enforcement Division conducted two interviews with Rudolph Murillo, on September 19, 2000 and February 20, 2001. In those interviews, Murillo told Supervising Investigator Dennis Pellón and Investigator Don McCormick that he is, and was at all times pertinent hereto, a close family friend of Respondent, and a former business associate. He also stated that he was a gubernatorial appointee, serving as the executive director of the Commission on the Californias in San Diego.

A photocopy of canceled check #652, from Murillo's personal checking account, establishes that on or about August 27, 1997, Murillo made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to "Mark Yarbrough Council" for \$95.00. Murillo told Supervising Investigator Pellón and Investigator McCormick, in the interviews of September 19, 2000 and February 20, 2001, that the check was a campaign contribution to



Yarbrough, whom he knew to be a candidate for the Perris City Council. He went on to say during both interviews that he made this contribution, as well as the contribution alleged in Count 10, at the request of Respondent, and that he probably gave the contribution checks to Respondent. In an interview on September 19, 2000, Murillo told Investigator McCormick that he was aware there was a land use issue in the City of Perris, and that Respondent's client, Barratt American Homes, wanted to see candidates favorable to its project elected to the Perris City Council.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Murillo's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1285, from Respondent's personal bank account, and the bank records of Murillo, further establish that Respondent was the true source of the Murillo contribution to Perris City Council candidate Raul Mark Yarbrough. On or about August 27, 1997, the day the contribution check was issued, Respondent reimbursed Rudolph Murillo for his contribution to Mark Yarbrough Council, by issuing a check to "Rudy Murillo" from his personal checking account for \$200.00, which Murillo subsequently deposited into his personal checking account.

In both of his interviews with Supervising Investigator Pellón and Investigator McCormick, Murillo denied being reimbursed for his campaign contribution to Yarbrough, and for the contribution alleged in Count 10. In an interview conducted by Supervising Investigator Pellón on February 20, 2001, Murillo stated that he did not know why Respondent issued the personal check to him for \$200.00, other than that over the years Respondent and he had a practice of "loaning" each other money that did not have to be paid back. Murillo went on to say during the same interview that he was aware that reimbursement for campaign contributions is illegal in California.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 10: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Rudolph Murillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 9, Rudolph Murillo told Supervising Investigator Dennis Pellón and Investigator Don McCormick, in interviews conducted on September 19, 2000 and February 20, 2001, that he is, and was at all times pertinent hereto, a close family friend of Respondent, and a former business associate.

A photocopy of canceled check #651, from Murillo's personal checking account, establishes that on or about August 27, 1997, Murillo made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Al Landers for Mayor" for \$95.00. Murillo told Supervising Investigator Pellón and Investigator McCormick, in the interviews on September 19, 2000 and February 20, 2001, that the check was a campaign contribution to Landers, whom he knew to be a candidate for mayor in the City of Perris. He went on to say during both interviews that he made this contribution, as well as the contribution alleged in Count 9, at the request of Respondent, and that he probably gave the contribution checks to Respondent. In the interview on September 19, 2000,

Murillo told Investigator McCormick that he was aware there was a land use issue in the City of Perris and that Respondent's client, Barratt American Homes, wanted to see candidates favorable to its project elected to the Perris City Council.

According to the campaign bank account records for the Committee To Elect Al Landers, the Landers campaign received Murillo's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1285, from Respondent's personal bank account, and the bank records of Murillo, further establish that Respondent was the true source of the Murillo contribution to Perris mayoral candidate Al Landers. The day the contribution check was issued, on or about August 27, 1997, Respondent reimbursed Murillo for his campaign contribution to Al Landers for Mayor, by issuing a check to "Rudy Murillo" from his personal checking account for \$200.00, which Murillo subsequently deposited into his personal checking account.

As noted in Count 9, while Murillo denied being reimbursed for his campaign contribution to Landers in both of his interviews with Commission investigators, and for the contribution alleged in Count 9, he did not know why Respondent issued this personal check to him for \$200.00, other than that over the years, Respondent and he had a practice of "loaning" each other money that did not have to be paid back. Murillo was aware that reimbursement for campaign contributions is illegal in California.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 11: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Mauralee Ramirez, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

Supervising Commission Investigator Dennis Pellón conducted two interviews with Mauralee Ramirez, on September 19, 2000 and October 31, 2000. In an interview on September 19, 2000, Ramirez stated that she was, at all times pertinent hereto, a student residing in San Marcos, going to school to become a court reporter, and working part-time doing transcriptions. She went on to say that she did transcription work for Respondent in 1997.

A photocopy of canceled check #1664, from Ramirez's personal checking account, establishes that on or about August 27, 1997, Ramirez made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to "Yarbrough for Council" for \$95.00. According to a campaign statement filed by the Committee To Elect Raul Mark Yarbrough for the reporting period 7/1/97-9/21/97, Mark Yarbrough was a candidate for the Perris City Council. Ramirez told Supervising Investigator Pellón, in the interviews on September 19, 2000 and October 31, 2000, that the check was a campaign contribution to Yarbrough. She went on to say during both interviews that she made this contribution, as well as the contribution alleged in Count 12, at the behest of Respondent, and that she probably gave the contribution checks to Respondent. She explained that she did not know Mark Yarbrough.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Ramirez's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1290, from Respondent's personal bank account, and the bank records and corroborating statement of Ramirez, further establish that Respondent was the true source of the Ramirez contribution to Perris City Council candidate Raul Mark Yarbrough, in that Respondent reimbursed Ramirez for her campaign contribution to Yarbrough for Council. On or about the day Ramirez made the contribution, Respondent issued a check to "Mauralee Ramirez" from his personal checking account for \$225.00, which Ramirez subsequently deposited into her personal checking account on or about August 28, 1997.

In her interview on September 19, 2000, Ramirez told Supervising Investigator Pellón that she guessed she was reimbursed for her campaign contribution to Yarbrough, and for the contribution alleged in Count 12, because her only source of income at the time was part-time work and child support payments. According to Ramirez's personal bank records, after the two \$95.00 contribution checks were issued, Ramirez had a balance of \$22.00 in her checking account, before the personal check from Respondent for \$225.00 was deposited into her account. Ramirez went on to say during the same interview that she did not normally make political contributions, and more than likely, these contributions were her first ones.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 12: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Mauralee Ramirez, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 11, Mauralee Ramirez told Supervising Commission Investigator Dennis Pellón in interviews conducted on September 19, 2000 and October 31, 2000, that she was, at all times pertinent hereto, a court stenography student who did transcription work for Respondent in 1997.

A photocopy of canceled check #1663, from Ramirez's personal checking account, establishes that on or about August 27, 1997, Ramirez made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Landers for Mayor" for \$95.00. According to a campaign statement filed by the Committee To Elect Al Landers for the reporting period 7/1/97-9/21/97, Al Landers was a candidate for mayor in the City of Perris. Ramirez told Supervising Investigator Pellón, in the interviews on September 19, 2000 and October 31, 2000, that the check was a campaign contribution to Landers. She went on to say in both interviews that she made this contribution, as well as the contribution alleged in Count 11, at the behest of Respondent, and that she probably gave the contribution checks to Respondent. She explained that she did not know Al Landers.

According to the campaign bank account records for the Committee To Elect Al Landers, the Landers campaign received Ramirez's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1290, from Respondent's personal bank account, and the bank records and corroborating statement of Ramirez, further establish that Respondent was the true source of the Ramirez contribution to Perris mayoral candidate Al Landers, in that Respondent reimbursed Ramirez for her campaign contribution to Landers for Mayor. On or about the day Ramirez made the contribution, Respondent issued a check to "Mauralee Ramirez" from his personal checking account for \$225.00, which Ramirez subsequently deposited into her personal checking account on or about August 28, 1997.

As noted in Count 11, Ramirez told Supervising Investigator Pellón, in her interview on September 19, 2000, that she guessed that she was reimbursed for her campaign contribution to Landers, and for the contribution alleged in Count 11, because her only source of income at the time was part-time work and child support payments. According to Ramirez's personal bank records, after the two contribution checks were issued, Ramirez had a balance of \$22.00 in her checking account, before the personal check from Respondent for \$225.00 was deposited into her account. Further, as noted in Count 11, Ramirez went on to explain that she did not normally make political contributions, and more than likely, these contributions were her first ones.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 13: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Anne Cain, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

Supervising Commission Investigator Dennis Pellón conducted two interviews with Anne Cain, on September 12, 2000 and October 31, 2000. In both interviews, she stated that she was, at all times pertinent hereto, a sales representative for a local cleaning company in San Diego, who did some work for Respondent in 1997, primarily cleaning his home.

A photocopy of canceled check #2734, from Cain's personal checking account, establishes that on or about August 27, 1997, Cain made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to "Yarbrough for Council" for \$95.00. According to a campaign statement filed by the Committee To Elect Raul Mark Yarbrough for the reporting period 7/1/97-9/21/97, Mark Yarbrough was a candidate for the Perris City Council. Cain told Supervising Investigator Pellón, in the interview on October 31, 2000, that her boyfriend at the time, Daniel Auld, was a good friend of Respondent, and that Auld asked her to make a campaign contribution to Yarbrough, as well as the contribution alleged in Count 14. She said that she therefore issued a \$95.00 check to the Yarbrough campaign.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Cain's \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1291, from Respondent's personal bank account, and the bank records and corroborating statement of Cain, further establish that Respondent was the true source of the Cain contribution to Perris City Council candidate Raul Mark Yarbrough, in that Respondent reimbursed Cain for her campaign contribution to Yarbrough for Council. On or about

the day Cain made the contribution, Respondent issued a check to “Ann Cain” from his personal checking account for \$190.00, which Cain subsequently deposited into her personal checking account on or about August 29, 1997.

In her interview on October 31, 2000, Cain told Supervising Investigator Pellón that she never would have made the campaign contribution to Yarbrough, or the contribution alleged in Count 14, had she not known she was going to be paid back.

Respondent’s former secretary Jacquelyn Landis corroborated Cain’s statement regarding reimbursement. Landis told Supervising Commission Investigator Dennis Pellón, in interviews he conducted on October 31, 2000 and December 20, 2000, she worked for Respondent from May 1996 until September 1997, during which time she personally witnessed Respondent reimbursing Anne Cain and Dan Auld, as well as others, for political contributions.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 14: On or about August 27, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Anne Cain, a name other than his own legal name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 13, Anne Cain told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 12, 2000 and October 31, 2000, that she was, at all times pertinent hereto, a sales representative for a local cleaning company who did some work for Respondent in 1997, primarily cleaning his home.

A photocopy of canceled check #2735, from Cain’s personal checking account, establishes that on or about August 27, 1997, Cain made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to “Landers for Mayor” for \$95.00. According to a campaign statement filed by the Committee To Elect Al Landers for the reporting period 7/1/97-9/21/97, Al Landers was a candidate for mayor in the City of Perris. Cain told Supervising Investigator Pellón, in the interview on October 31, 2000, that her boyfriend at the time, Daniel Auld, was a good friend of Respondent, and that Auld asked her to make a campaign contribution to Landers, as well as the contribution alleged in Count 13. She said that she therefore issued a \$95.00 check to the Landers campaign.

According to the campaign bank account records for the Committee To Elect Al Landers, the Landers campaign received Cain’s \$95.00 check, and deposited it on or about August 28, 1997.

A photocopy of canceled check #1291, from Respondent’s personal bank account, and the bank records and corroborating statement of Cain, further establish that Respondent was the true source of the Cain contribution to Perris mayoral candidate Al Landers, in that Respondent reimbursed Cain for her campaign contribution to Landers for Mayor. On or about the day Cain made the contribution, Respondent issued a check to “Ann Cain” from his personal checking account for \$190.00, which Cain subsequently deposited into her personal checking account on or about August 29, 1997.

In her interview on October 31, 2000, Cain told Supervising Investigator Pellón that she never would have made the campaign contribution to Landers, or the contribution alleged in Count 13, had she not known she was going to be paid back.

As noted in Count 13, Respondent's former secretary Jacquelyn Landis corroborated Cain's statement. Landis told Supervising Investigator Pellón, in an interview on October 31, 2000, that she personally witnessed Respondent reimbursing Anne Cain and Dan Auld, as well as others, for political contributions.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 15: On or about September 15, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 5 and 6, Arthur J. ("Jim") Johnston told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 26, 2000, December 19, 2000, and June 2, 2003, that he is, and was at all times pertinent hereto, a long-time friend of Respondent, and a self-employed marketing consultant who did work for Respondent in 1997 and 1998.

A photocopy of canceled check #3697, from Johnston's personal checking account, establishes that on or about September 15, 1997, Johnston made a campaign contribution to Perris City Council candidate Cecilia Larios, by issuing a check to "Larios for Council" for \$95.00. Johnston told Supervising Investigator Pellón, in the interviews on December 19, 2000 and June 2, 2003, that the check was a campaign contribution to Cecilia Larios, whom he knew to be a candidate for Perris City Council. He went on to say during those interviews that he made the contribution at the behest of Respondent, and that he gave the contribution check to Respondent.

According to a handwritten endorsement, and other information stamped on the check, the Larios for City Council committee received Johnston's \$95.00 check, and deposited it on or about September 24, 1997.

A photocopy of canceled check #1599, from Respondent's personal bank account, and the bank records and admission of Johnston, further establish that Respondent was the true source of the Johnston contribution to Perris City Council candidate Larios. After the contribution check was issued, on or about September 17, 1997, Respondent reimbursed Johnston for his campaign contribution to Larios for Council, by issuing a check to "Jim Johnston" from his personal checking account for \$100.00, which Johnston subsequently deposited into his personal checking account.

In his interview with Supervising Investigator Pellón on June 2, 2003, Johnston stated that the \$100 check from Respondent was reimbursement for his campaign contribution to Larios, and that he received the \$100 check from Respondent at Respondent's home, where Respondent lived and worked. Johnston went on to state in the same interview that Respondent offered to reimburse him at the same time that he solicited the contribution.

By making a \$95.00 contribution to the campaign of Cecilia Larios in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 16: On or about September 17, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Brian Devine, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

The Enforcement Division conducted two interviews with Brian Devine, on September 21, 2000 and October 31, 2000. In those interviews, Devine told Supervising Investigator Dennis Pellón and Investigator Don McCormick that he is, and was at all times pertinent hereto, a long-time friend of Respondent, and a high school basketball coach and referee in San Diego, who did some work for Respondent in 1997.

A photocopy of canceled check #2751, from Devine's personal checking account, establishes that on or about September 17, 1997, Devine made a campaign contribution to Perris City Council candidate Cecilia Larios, by issuing a check to "Larios for Council" for \$95.00. Devine told Supervising Investigator Pellón, in the interview on October 31, 2000, that the check was a campaign contribution to Larios, whom he knew to be a candidate for the Perris City Council.

According to a handwritten endorsement, and other information stamped on the check, the Larios for City Council committee received Devine's \$95.00 check, and deposited it on or about September 24, 1997.

A photocopy of canceled check #44320, from Respondent's business bank records, and the bank records of Devine, further establish that Respondent was the true source of the Devine contribution to Perris City Council candidate Cecilia Larios. The day the contribution check was issued, on or about September 17, 1997, Respondent reimbursed Devine for his campaign contribution to Larios for Council, by issuing a check to "Brian Devine" from his business account for \$295.00, which Devine subsequently deposited into his personal checking account.

In his interview on October 31, 2000, Devine denied being reimbursed for his campaign contribution to Larios, and claimed that the \$295.00 check from Respondent was payment for work he did for Respondent. However, in response to an investigative subpoena from the FPPC, Devine failed to produce an invoice to substantiate his claim. Devine responded to the subpoena by telling Supervising Investigator Pellón that it would have been his practice to submit an invoice to Respondent for the \$295.00 check, reflecting his actual work hours, but he was unable to produce a record of his invoices in response to the subpoena, because he lost those records when his computer's hard drive became infected with a virus in May 1999.

In view of Devine's claim that it would have been consistent with his practice to submit an invoice to Respondent coinciding with the \$295.00 check he received from Respondent, the Enforcement Division served an investigative subpoena on Respondent seeking, among other things, any and all invoices he received from his independent contractors, which included Devine. Respondent did not produce any invoices submitted to him by Devine, or anyone else, in response to the subpoena. Respondent told Supervising Investigator Pellón, in an interview on October 31, 2000,

that he did not maintain any business records, and did not retain any invoices that related to work performed by his independent contractors.

While Devine denied being reimbursed for his campaign contribution to Larios, his personal bank records show that he was not in a financial position to make campaign contributions without reimbursement. According to those records, the balance in Devine's account on the date of his contribution to Larios, on or about September 17, 1997, was \$137.43, and Devine was receiving state unemployment benefits at the time he made the contribution.

By making a \$95.00 contribution to the campaign of Cecilia Larios in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 17: On or about September 19, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 1 through 4, Lisa Ross told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 25, 2000 and December 20, 2000, that she is, and was at all times pertinent hereto, a long-time friend and professional colleague of Respondent, and a self-employed media consultant who did some work for Respondent in 1997 and 1998.

A photocopy of canceled check #8990, from Ross' personal joint checking account, establishes that on or about September 19, 1997, Ross made a campaign contribution to Perris City Council candidate Cecilia Larios, by issuing a check to "Cecilia Larios for Council" for \$95.00. According to a campaign statement filed by the Larios for City Council committee for the reporting period 7/1/97-9/21/97, Cecilia Larios was a candidate for the Perris City Council. Ross told Supervising Investigator Pellón, in the interview on December 20, 2000, that she made the contribution at the behest of Respondent, and that she gave the contribution check to Respondent.

According to the bank records of Ross, the Larios for City Council committee received Ross' \$95.00 check, and deposited it on or about September 24, 1997.

A photocopy of canceled check #1614, from Respondent's personal bank account, and the bank records of Ross, further establish that Respondent was the true source of the Ross contribution to Perris City Council candidate Cecilia Larios. Before the contribution check was issued, on or about September 15, 1997, Respondent reimbursed Ross for her campaign contribution to Cecilia Larios for City Council, by issuing a check to "Lisa Ross" from his personal checking account for \$100.00, which Ross subsequently deposited into her personal checking account. In her interview on December 20, 2000, Ross stated that she could not recall why Respondent issued this personal check to her for \$100.00.

By making a \$95.00 contribution to the campaign of Cecilia Larios in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.



Count 18: On or about October 2, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

The Enforcement Division conducted two interviews with Mimi Le, on September 22, 2000 and December 19, 2000. In those interviews, Le told Supervising Investigator Dennis Pellón and Investigator Don McCormick that she was, at all times pertinent hereto, a recent college graduate, active in local politics, and a full-time employee for a real estate company in San Diego. She also told them that before moving to Washington D.C. to attend law school she did some website work for Respondent for a brief time in 1997.

A photocopy of canceled check #538, from Le's personal checking account, establishes that on or about October 2, 1997, Le made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to "Yarbrough" for \$95.00. Le told Supervising Investigator Pellón, in the interview on December 19, 2000, that the check was a campaign contribution to Yarbrough, whom she knew to be a candidate for the Perris City Council. She went on to say during the same interview that she wrote this check at a political fundraiser in the City of Perris. According to Le, the fundraiser was for three candidates, Cecilia Larios, Mark Yarbrough and Al Landers. Le said that she attended the fundraiser at the request of Respondent, and that while Respondent did not ask her to make the contributions, she felt "peer pressure" to make them. She further stated that she gave her checks for the three contributions directly to each of the candidates at the fundraiser; however, as noted in Count 28 below, Le later recanted this statement.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Le's \$95.00 check, and deposited it on or about October 21, 1997.

A photocopy of canceled check #1344 from Respondent's business bank account, and the bank records of Le, further establish that Respondent was the true source of the Le contribution to Perris City Council candidate Raul Mark Yarbrough. Before the contribution check was issued, on or about September 29, 1997, Respondent reimbursed Le for her campaign contribution to Yarbrough, by issuing a check to "Mimi Le" from his business checking account for \$905.00, which Le subsequently deposited into her personal checking account. According to the memo portion of the check, it was issued to Le for wages and expenses.

In her interview on December 19, 2000, Le denied being reimbursed for her campaign contribution to Yarbrough, and claimed that the \$905.00 check from Respondent was payment for work she did for Respondent, and for her expenses. However, in response to an investigative subpoena from the FPPC, Le failed to produce an invoice to substantiate her claim. Le responded to the subpoena by telling Supervising Investigator Pellón that she would have submitted an invoice to Respondent for the \$905.00 check, reflecting her actual work hours and expenses, but was unable to find a record of her invoices to Respondent.

In view of Le's claim that it would have been consistent with her practice to submit an invoice to Respondent coinciding with the \$905.00 check she received from him, the Enforcement Division served a subpoena on Respondent seeking, among other things, any and all invoices he received from his independent contractors, which included Le. Respondent did not produce any invoices submitted

to him by Le, or anyone else, in response to the subpoena. As noted in Count 16, Respondent told Supervising Investigator Pellón, in an interview on October 31, 2000, that he did not maintain any business records, and did not retain any invoices that related to work performed by his independent contractors.

According to Respondent's former secretary Jacquelyn Landis, in an interview conducted by Supervising Investigator Pellón on October 31, 2000, Le started working for Respondent around the time Landis quit working for Respondent in September 1997. Immediately prior to her departure, Landis stated that Respondent asked her to solicit as many friends as possible to make campaign contributions to candidates in the City of Perris, and he would reimburse them.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 19: On or about October 2, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 18, Mimi Le told Supervising Investigator Dennis Pellón and Investigator Don McCormick, in interviews conducted on September 22, 2000 and December 19, 2000, that she was a recent college graduate who did some web site work for Respondent in 1997, before moving to Washington D.C. to attend law school.

A photocopy of canceled check #537, from Le's personal checking account, establishes that on or about October 2, 1997, Le made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Landers for Mayor" for \$95.00. Le told Supervising Investigator Pellón, in the interview on December 19, 2000, that the check was a campaign contribution to Landers, whom she knew to be a candidate for mayor in the City of Perris. As noted in Count 18, she went on to state during the same interview that she wrote this check, as well as the contribution checks alleged in Counts 18 and 28, at a political fundraiser she attended in the City of Perris at the request of Respondent, and that she gave her checks for the three contributions directly to each of the candidates at the fundraiser; however, as noted in Count 28 below, Le later recanted this statement.

According to the campaign bank account records for the Committee To Elect Al Landers, the Landers campaign received Le's \$95.00 check, and deposited it on or about October 3, 1997.

A photocopy of canceled check #1344, from Respondent's business bank account, and the bank records of Le, further establish that Respondent was the true source of the Le contribution to Perris mayoral candidate Al Landers. Before the contribution check was issued, on or about September 29, 1997, Respondent reimbursed Le for her campaign contribution to Landers for Mayor, by issuing a check to "Mimi Le" from his business checking account for \$905.00, which Le subsequently deposited into her personal checking account. According to the memo portion of the check, it was issued to Le for wages and expenses.

In her interview on December 19, 2000, Le denied being reimbursed for her campaign contribution to Landers, and claimed that the \$905.00 check from Respondent was payment for work she did for Respondent, and for her expenses. However, as noted in Count 18, in response to an

investigative subpoena from the FPPC, Le failed to produce an invoice to substantiate her claim, and Respondent also failed to produce any invoices submitted to him by Le in response to a separate FPPC subpoena.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 20: On or about October 6, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Brian Minichillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

Supervising Commission Investigator Dennis Pellón conducted an interview with Brian Minichillo on January 28, 2002. In his interview, Minichillo stated that he was, at all times pertinent hereto, a second-year college student at the University of Delaware, and that Michael Flaherty was his roommate. Respondent told Supervising Investigator Dennis Pellón, on October 31, 2000, that Michael Flaherty was his nephew.

A photocopy of canceled check #577, from Minichillo's personal checking account, establishes that on or about October 6, 1997, Minichillo made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Al Landers for Mayor" for \$95.00. According to a campaign statement filed by the Committee To Elect Al Landers for the reporting period 9/22/97-10/19/97, Al Landers was a candidate for mayor in the City of Perris. Minichillo told Supervising Investigator Pellón, in the interview on January 28, 2002, that he had never heard of Landers.

According to the campaign bank account records for the Committee To Elect Al Landers, the Landers campaign received Minichillo's \$95.00 check, and deposited it on or about October 10, 1997.

A photocopy of canceled check #1297, from Respondent's personal bank account, the bank records of Michael Flaherty, and the bank records of Minichillo, further establish that Respondent was the true source of the Minichillo contribution to Perris mayoral candidate Al Landers, in that Respondent reimbursed Minichillo for his campaign contribution to Al Landers for Mayor, either directly or indirectly, through his nephew Michael Flaherty. After the contribution check was issued, on or about October 7, 1997, Respondent issued a check to "Cash" for \$1,000. On or about that same day, there was a \$500.00 cash deposit into Michael Flaherty's personal checking account. The following day, on or about October 8, 1997, Minichillo deposited \$285.00 in cash into his personal checking account.

Minichillo told Supervising Investigator Pellón, in his interview on January 28, 2002, that he did not think anyone reimbursed him for the campaign contribution to Landers, or for the contributions alleged in Counts 21 and 22. However, he could not explain the cash deposit made into his bank account for the same amount as those three contributions. Minichillo's personal bank records show that he was not in a financial position to make campaign contributions without reimbursement. According to those records, Minichillo was on a student's limited budget, and had \$321.14 in his checking account, leaving him with a balance of \$36.94, before the cash deposit of \$285.00.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 21: On or about October 6, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Brian Minichillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 20, Brian Minichillo told Supervising Investigator Dennis Pellón, in an interview on January 28, 2002, that he was, at all times pertinent hereto, a second-year college student at the University of Delaware, and the roommate of Respondent's nephew, Michael Flaherty.

A photocopy of canceled check #579, from Minichillo's personal checking account, establishes that on or about October 6, 1997, Minichillo made a contribution to Perris City Council candidate Raul Mark Yarbrough, by issuing a check to "Mark Yarbrough for Council" for \$95.00. According to a campaign statement filed by the Committee To Elect Raul Mark Yarbrough for the reporting period 9/22/97-10/19/97, Mark Yarbrough was a candidate for the Perris City Council. Minichillo told Supervising Investigator Pellón, in the interview on January 28, 2002, that he had never heard of Yarbrough.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Minichillo's \$95.00 check, and deposited it on or about October 21, 1997.

A photocopy of canceled check #1297, from Respondent's personal bank account, the bank records of Michael Flaherty, and the bank records of Minichillo, further establish that Respondent was the true source of the Minichillo contribution to Perris City Council candidate Raul Mark Yarbrough, in that Respondent reimbursed Minichillo for his campaign contribution to Mark Yarbrough for Council, either directly or indirectly, through his nephew Michael Flaherty. After the contribution check was issued, on or about October 7, 1997, Respondent issued a check to "Cash" for \$1,000. On or about that same day, there was a \$500.00 cash deposit into Michael Flaherty's personal checking account. The following day, on or about October 8, 1997, Minichillo deposited \$285.00 in cash into his personal checking account.

Minichillo told Supervising Investigator Pellón, in his interview on January 28, 2002, that he did not think anyone reimbursed him for the campaign contribution to Yarbrough, or for the contributions alleged in Counts 20 and 22. However, he could not explain the cash deposit made into his bank account for the same amount as those three contributions. Minichillo's personal bank records show that he was not in a financial position to make campaign contributions without reimbursement. According to those records, Minichillo was on a student's limited budget, and had \$321.14 in his checking account, leaving him with a balance of \$36.94, before the cash deposit of \$285.00.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 22: On or about October 6, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Brian Minichillo, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 20 and 21, Brian Minichillo told Supervising Investigator Dennis Pellón, in an interview on January 28, 2002, that he was, at all times pertinent hereto, a second-year college student at the University of Delaware, and the roommate of Respondent's nephew, Michael Flaherty.

A photocopy of canceled check #578, from Minichillo's personal checking account, establishes that on or about October 6, 1997, Minichillo made a campaign contribution to Perris City Council candidate Cecilia Larios, by issuing a check to "Cecilia Larios for Council" for \$95.00. According to a campaign statement filed by Larios for City Council for the reporting period 9/21/97-10/19/97, Cecilia Larios was a candidate for the Perris City Council. Minichillo told Supervising Investigator Pellón, in the interview on January 28, 2002, that he had never heard of Larios.

According to the bank records of Minichillo, the Larios for City Council committee received Minichillo's \$95.00 check, and deposited it on or about October 16, 1997.

A photocopy of canceled check #1297, from Respondent's personal bank account, the bank records of Michael Flaherty, and the bank records of Minichillo, further establish that Respondent was the true source of the Minichillo contribution to Perris City Council candidate Cecilia Larios, in that Respondent reimbursed Minichillo for his campaign contribution to Cecilia Larios for Council, either directly or indirectly, through his nephew Michael Flaherty. After the contribution check was issued, on or about October 7, 1997, Respondent issued a check to "Cash" for \$1,000. On or about that same day, there was a \$500.00 cash deposit into Michael Flaherty's personal checking account. The following day, on or about October 8, 1997, Minichillo deposited \$285.00 in cash into his personal checking account.

Minichillo told Supervising Investigator Pellón, in his interview on January 28, 2002, that he did not think anyone reimbursed him for the campaign contribution to Yarbrough, or for the contributions alleged in Counts 20 and 21. However, he could not explain the cash deposit made into his bank account for the same amount as those three contributions. Minichillo's personal bank records show that he was not in a financial position to make campaign contributions without reimbursement. According to those records, Minichillo was on a student's limited budget, and had \$321.14 in his checking account, leaving him with a balance of \$36.94, before the cash deposit of \$285.00.

By making a \$95.00 contribution to the campaign of Cecilia Larios in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 23: On or about October 7, 1997, Respondent Colin Flaherty made a campaign contribution to Perris mayoral candidate Al Landers in the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

In an interview conducted by Supervising Commission Investigator Dennis Pellón, on October 31, 2000, Respondent stated that Michael Flaherty is his nephew and was, at all times pertinent hereto, living in Delaware. In an interview conducted by Supervising Investigator Pellón,

on January 28, 2002, Brian Minichillo stated that in 1997, Michael Flaherty was a second-year college student at the University of Delaware and his college roommate.

A photocopy of canceled check #1241, from Michael Flaherty's personal bank account, establishes that on or about October 7, 1997, Michael Flaherty, also known as Mike Flaherty, made a campaign contribution to Perris mayoral candidate Al Landers, by issuing a check to "Al Landers for Mayor" for \$95.00. According to a campaign statement filed by the Committee To Elect Al Landers for the reporting period 9/22/97-10/19/97, Al Landers was a candidate for mayor in the City of Perris. Respondent told Supervising Investigator Pellón, in an interview on October 31, 2000, that Michael Flaherty made the campaign contribution to Landers at his request.

According to the campaign bank account records for the Committee To Elect Al Landers, the Landers campaign received Michael Flaherty's \$95.00 check, and deposited it on or about October 10, 1997.

The personal and business bank records of Respondent, and the personal bank records of Michael Flaherty, further establish that Respondent was the true source of the Michael Flaherty contribution to Perris mayoral candidate Al Landers, in that Respondent reimbursed Michael Flaherty for his campaign contribution to Al Landers for Mayor. A photocopy of canceled check #1297, from Respondent's personal bank account, and the personal bank records of Michael Flaherty, show that the day the contribution check was issued, on or about October 7, 1997, Respondent wrote a check to "Cash" for \$1,000.00, and on that same day, there was a \$500.00 cash deposit into Michael Flaherty's personal checking account. After the contribution check was issued, a photocopy of canceled check #1360, from Respondent's business bank account, and the personal bank records of Michael Flaherty, show that Respondent issued a check to "Mike Flaherty" from his business checking account for \$550.00, which Michael Flaherty subsequently deposited into his personal checking account on or about October 23, 1997.

By making a \$95.00 contribution to the campaign of Al Landers in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 24: On or about October 7, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Raul Mark Yarbrough in the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 23, in interviews conducted by Supervising Commission Investigator Dennis Pellón, with Respondent on October 31, 2000, and with Brian Minichillo on January 28, 2002, Michael Flaherty is Respondent's nephew and was, at all times pertinent hereto, a second-year college student at the University of Delaware.

A photocopy of canceled check #1243, from Michael Flaherty's personal bank account, establishes that on or about October 7, 1997, Michael Flaherty, also known as Mike Flaherty, wrote a check to "Mark Yarbrough for Council" for \$95.00. According to a campaign statement filed by the Committee To Elect Raul Mark Yarbrough for the reporting period 9/22/97-10/19/97, Mark Yarbrough was a candidate for the Perris City Council. Respondent told Supervising Investigator

Pellón, in an interview on October 31, 2000, that Michael Flaherty made the campaign contribution to Yarbrough at his request.

According to the campaign bank account records for the Committee To Elect Raul Mark Yarbrough, the Yarbrough campaign received Michael Flaherty's \$95.00 check, and deposited it on or about October 21, 1997.

The personal and business bank records of Respondent, and the personal bank records of Michael Flaherty, further establish that Respondent was the true source of the Michael Flaherty contribution to Perris City Council candidate Raul Mark Yarbrough, in that Respondent reimbursed Michael Flaherty for his campaign contribution to Mark Yarbrough for Council. A photocopy of canceled check #1297, from Respondent's personal bank account, and the personal bank records of Michael Flaherty, show that the day the contribution check was issued, on or about October 7, 1997, Respondent wrote a check to "Cash" for \$1,000.00, and on that same day, there was a \$500.00 cash deposit into Michael Flaherty's personal checking account. After the contribution check was issued, a photocopy of canceled check #1360, from Respondent's business bank account, and the personal bank records of Michael Flaherty, show that Respondent issued a check to "Mike Flaherty" from his business checking account for \$550.00, which Michael Flaherty subsequently deposited into his personal checking account on or about October 23, 1997.

By making a \$95.00 contribution to the campaign of Raul Mark Yarbrough in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 25: On or about October 7, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 23 and 24, in interviews conducted by Supervising Commission Investigator Dennis Pellón, with Respondent on October 31, 2000, and with Brian Minichillo on January 28, 2002, Michael Flaherty is Respondent's nephew and was, at all times pertinent hereto, a second-year college student at the University of Delaware.

A photocopy of canceled check #1242, from Michael Flaherty's personal bank account, establishes that on or about October 7, 1997, Michael Flaherty, also known as Mike Flaherty, made a campaign contribution to Perris City Council candidate Cecilia Larios, by issuing a check to "Cecilia Larios for Council" for \$95.00. According to a campaign statement filed by Larios for City Council for the reporting period 9/21/97-10/19/97, Cecilia Larios was a candidate for the Perris City Council. Respondent told Supervising Investigator Pellón, in an interview on October 31, 2000, that Michael Flaherty made the campaign contribution to Larios at his request.

According to a handwritten endorsement, and other information stamped on the check, the Larios for City Council committee received Michael Flaherty's \$95.00 check, and deposited it on or about October 14, 1997.

The personal and business bank records of Respondent, and the personal bank records of Michael Flaherty, further establish that Respondent was the true source of the Michael Flaherty contribution to Perris City Council candidate Cecilia Larios, in that Respondent reimbursed Michael

Flaherty for his campaign contribution to Cecilia Larios for Council. A photocopy of canceled check #1297, from Respondent's personal bank account, and the personal bank records of Michael Flaherty, show that the day the contribution check was issued, on or about October 7, 1997, Respondent wrote a check to "Cash" for \$1,000.00, and on that same day, there was a \$500.00 cash deposit into Michael Flaherty's personal checking account. After the contribution check was issued, a photocopy of canceled check #1360, from Respondent's business bank account, and the personal bank records of Michael Flaherty, show that Respondent issued a check to "Mike Flaherty" from his business checking account for \$550.00, which Michael Flaherty subsequently deposited into his personal checking account on or about October 23, 1997.

By making a \$95.00 contribution to the campaign of Cecilia Larios in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 26: On or about October 14, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

Supervising Investigator Dennis Pellón conducted an interview of Aaron Knox, the founder of a political committee called the Riverside County Business & Property Owners Coalition (the "Riverside Coalition"), on September 22, 2000. In that interview, Aaron Knox stated that this committee, which was formed in the summer of 1997, only participated in the November 1997 election in the City of Perris, and only supported a group of three candidates in that election, Al Landers, Raul Mark Yarbrough, and Cecilia Larios, each of whom was elected. According to Knox, Respondent played a pivotal role in raising contributions for the Riverside Coalition, and Respondent mailed the contribution checks to him. Knox recalled that the contributors were mostly from the San Diego area. Knox went on to say during the interview that Respondent was a consultant to Barratt American Homes, a homebuilder that supported mayoral candidate Al Landers in the 1997 and 1999 elections in the City of Perris.

As noted in Counts 5, 6, and 15, Arthur J. ("Jim") Johnston told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 26, 2000, December 19, 2000, and June 2, 2003, that he is, and was at all times pertinent hereto, a friend of Respondent, and a self-employed marketing consultant who did work for Respondent in 1997 and 1998.

A photocopy of canceled check #3708, from Johnston's personal checking account, establishes that on or about October 14, 1997, Johnston made a campaign contribution to the Riverside Coalition, by issuing a check to "Riverside Bus. & Prop. Coalition" for \$250.00. Johnston told Supervising Investigator Pellón, in an interview on December 19, 2000, that the check was a campaign contribution to the Riverside Coalition. He went on to say during that same interview that he made the contribution at the behest of Respondent, and that he gave the contribution check to Respondent.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Johnston's \$250.00 check on or about October 27, 1997.



The personal bank records and the admission of Johnston, further establish that Respondent was the true source of the Johnston contribution to the Riverside Coalition. After the contribution check was issued, on or about October 16, 1997, Respondent reimbursed Johnston, in cash, for his campaign contribution to Riverside Bus. & Prop. Coalition. A photocopy of a deposit slip, dated October 16, 1997, shows that Johnston actually deposited \$200.00 into his personal checking account, and received \$50.00 back in cash.

In his interview with Supervising Investigator Pellón on June 2, 2003, Johnston stated that that he received the \$250 in cash from Respondent as reimbursement for his campaign contribution to the Riverside Coalition. Johnston went on to state during the same interview that Respondent offered to reimburse him at the same time he solicited the contribution.

By making a \$250.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 27: On or about October 16, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Mauralee Ramirez, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 11 and 12, Mauralee Ramirez told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 19, 2000 and October 31, 2000, that she was, at all times pertinent hereto, a court stenography student who did transcription work for Respondent in 1997.

A photocopy of canceled check #1739, from Ramirez's personal checking account, establishes that on or about October 16, 1997, Ramirez made a campaign contribution to the Riverside Coalition, by issuing a check in the amount of \$250.00 to "The Riverside Business & Property Owners." Ramirez told Supervising Investigator Pellón, in the interview on October 31, 2000, that the check was a campaign contribution to the Riverside Coalition. Ramirez went on to say during the same interview that she could not recall the circumstances surrounding the campaign contribution, and speculated that Respondent asked her to make the contribution. She said that she had never heard of the Riverside Coalition prior to issuing her check. As noted in Count 26, Respondent played a pivotal role in raising contributions for the Riverside Coalition, a political committee that only participated in the 1997 elections in the City of Perris, and only supported three candidates, Al Landers, Raul Mark Yarbrough, and Cecilia Larios.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Ramirez's \$250.00 check on or about October 22, 1997.

A photocopy of canceled check #1366, from Respondent's business bank account, and the personal bank and business records and corroborating statement of Ramirez, further establish that Respondent was the true source of the Ramirez contribution to the Riverside Coalition. The day the contribution check was issued, on or about October 16, 1997, Respondent reimbursed Ramirez for her campaign contribution to the Riverside Business & Property Owners, by issuing a check to "Mauralee Ramirez" from his business checking account for \$350.00, which Ramirez subsequently deposited into her personal checking account. An invoice produced by Ramirez, in response to an

investigative subpoena served on her by Supervising Investigator Pellón, shows that only \$100.00 of the \$350.00 check was payment for her work.

As noted in Counts 11 and 12, Ramirez told Supervising Investigator Pellón, in her interview on September 19, 2000, that she guessed she was reimbursed for her campaign contribution to the Riverside Coalition, and for the contributions alleged in Counts 11 and 12, because of the discrepancy between her invoice and the actual payment received from Respondent, noted above, and because her only source of income at the time was part-time work and child support payments. According to Ramirez's personal bank records, after the \$250.00 contribution check was issued, Ramirez had a balance of \$232.00 in her checking account, before the \$350.00 business check from Respondent was deposited into her account.

By making a \$250.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 28: On or about October 21, 1997, Respondent Colin Flaherty made a campaign contribution to Perris City Council candidate Cecilia Larios in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 18 and 19, Mimi Le told Supervising Investigator Dennis Pellón and Investigator Don McCormick, in interviews conducted on September 22, 2000 and December 19, 2000, that she was a recent college graduate who did some web site work for Respondent in 1997, before moving to Washington D.C. to attend law school.

A photocopy of canceled check #545, from Le's personal checking account, establishes that on or about October 21, 1997, Le made a campaign contribution to Perris City Council candidate Cecilia Larios, by issuing a check to "Cecilia Larios for Council" for \$95.00. Le told Supervising Investigator Pellón, in the interview on December 19, 2000, that the check was a campaign contribution to Larios, whom she knew to be a candidate for the Perris City Council. She went on to state during the same interview that she wrote this check, as well as the contribution checks alleged in Counts 18 and 19, at a political fundraiser she attended in the City of Perris, on October 2, 1997, at the request of Respondent.

As noted in Counts 18 and 19, Le also told Supervising Investigator Pellón, in her interview on December 19, 2000, that she gave her checks for the three contributions directly to each of the candidates at the fundraiser. Later, in the same interview, Le recanted this statement, after Supervising Investigator Pellón presented her with copies of her checks to the three Perris candidates. Le noticed that her check to Cecilia Larios was dated October 21, 1997, whereas her checks to Al Landers and Raul Mark Yarbrough were dated October 2, 1997, which led Le to conclude that she did not know how the contributor checks were transmitted.

According to a handwritten endorsement, and other information stamped on the check, the Larios for City Council committee received Le's \$95.00 check, and deposited it on or about October 29, 1997.

A photocopy of canceled check #1618 from Respondent's personal bank account, and the bank records of Le, further establish that Respondent was the true source of the Le contribution to

Perris City Council candidate Cecilia Larios, in that Respondent reimbursed Le for her campaign contribution to Cecilia Larios for Council. Before the contribution check was issued, on or about October 22, 1997, Respondent issued a check to “Mimi Le” from his personal checking account for \$100, which Le subsequently deposited into her personal checking account on or about October 22, 1997.

Le told Supervising Investigator Pellón, in her interview on December 19, 2000, that she did not know why Respondent issued this check to her from his personal account, but assumed it was for work. However, as noted in Counts 18 and 19, Le did not produce any invoices for work in response to a subpoena that she received for such invoices.

By making a \$95.00 contribution to the campaign of Cecilia Larios in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 29: On or about October 21, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Mimi Le, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 18, 19, and 28, Mimi Le told Supervising Investigator Dennis Pellón and Investigator Don McCormick, in interviews conducted on September 22, 2000 and December 19, 2000, that she was a recent college graduate who did some web site work for Respondent in 1997, before moving to Washington D.C. to attend law school.

A photocopy of canceled check #544, from Le’s personal checking account, establishes that on or about October 21, 1997, Le made a campaign contribution to the Riverside Coalition, by issuing a check in the amount of \$250.00 to “Riverside Bus. & Prop. Owners Coalition.” Le told Supervising Investigator Pellón, in the interview on December 19, 2000, that the check was a campaign contribution to the Riverside Coalition. Le went on to say during the same interview that she did not know anything about the Riverside Coalition prior to issuing her check, and “obviously” made the contribution because of Respondent’s connection to the group. As noted in Count 26, Respondent played a pivotal role in raising contributions for the Riverside Coalition, a political committee that only participated in the 1997 elections in the City of Perris, and only supported three candidates, Al Landers, Raul Mark Yarbrough, and Cecilia Larios.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Le’s \$250.00 check on or about October 27, 1997.

A photocopy of canceled check #1356, from Respondent’s business bank account, and the bank records of Le, further establish that Respondent was the true source of the Le contribution to the Riverside Coalition, in that Respondent reimbursed Le for her campaign contribution to that committee. After the contribution check was issued, Respondent issued a check to “Mimi Le” from his business checking account for \$1,251.00, which Le subsequently deposited into her personal checking account.

Le told Supervising Investigator Pellón, in her interview on December 19, 2000, that she could not recall making the \$250.00 contribution to the Riverside Coalition. Nonetheless, Le stated

that no part of the \$1,251 business check from Respondent included reimbursement for her contribution to the Riverside Coalition. However, in response to an investigative subpoena from the FPPC, Le failed to produce an invoice to substantiate her claim. Moreover, Le was not in a financial position to make campaign contributions without reimbursement. Le's bank records show that when her \$250.00 check cleared the bank, her account balance was \$96.53.

By making a \$250.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 30: On or about October 22, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Lisa Ross, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 1, 2, 3, 4, and 17, Lisa Ross told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 25, 2000 and December 20, 2000, that she is, and was at all times pertinent hereto, a long-time friend and professional colleague of Respondent, and a self-employed media consultant who did some work for Respondent in 1997 and 1998.

A photocopy of canceled check #1024, from Ross' personal joint checking account, establishes that on or about October 22, 1997, Ross made a campaign contribution to the Riverside Coalition, by issuing a check to the "Riverside County Business & Property Owners Coalition" for \$250.00. Ross stated to Supervising Investigator Pellón, in the interview on December 20, 2000, that the check was a campaign contribution to the Riverside Coalition. She went on to say during that same interview that she made the contribution at the behest of Respondent, and that she gave the contribution check to Respondent. As noted in Count 26, Respondent played a pivotal role in raising contributions for the Riverside Coalition, a political committee that only participated in the 1997 elections in the City of Perris, and only supported three candidates, Al Landers, Raul Mark Yarbrough, and Cecilia Larios.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Ross' \$250.00 check on or about October 27, 1997.

A photocopy of canceled check #1399, from Respondent's business checking account, and the bank records of Ross, further establish that Respondent was the true source of the Ross contribution to the Riverside Coalition. The day the contribution check was issued, on or about October 22, 1997, Respondent reimbursed Ross for her contribution to the Riverside County Business & Property Owners Coalition, by issuing a check to "Lisa Ross" from his business checking account for \$350, which Ross subsequently deposited into her personal joint checking account. According to the memo portion of the check, it was issued to Ross for "San Elijo."

In her interview with Supervising Investigator Pellón on December 20, 2000, Ross denied that the \$350.00 check from Respondent had anything to do with her contribution to the Riverside Coalition. She stated that "San Elijo" was a notation referring to a "media job" involving San Elijo Ranch. However, Ross was unable to substantiate her claim. In response to an investigative subpoena served on Ross by Supervising Investigator Pellón, Ross produced invoices for the work she performed for Respondent in 1997 and in 1998, but failed to produce an invoice for a media job

related to San Elijo Ranch for \$350.00. Furthermore, earlier in the same interview, before Supervising Investigator Pellón showed her a photocopy of canceled check #1399, in the amount of \$350, from Respondent's business checking account, Ross could not recall doing a media job for Respondent related to San Elijo Ranch.

By making a \$250.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 31: On or about October 22, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Michael Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 23 through 25, in interviews conducted by Supervising Commission Investigator Dennis Pellón, with Respondent on October 31, 1997, and with Brian Minichillo on January 28, 2002, Michael Flaherty is Respondent's nephew and was, at all times pertinent hereto, a second-year college student at the University of Delaware.

A photocopy of canceled check #1249, from Michael Flaherty's personal bank account, establishes that on or about October 22, 1997, Michael Flaherty made a campaign contribution to the Riverside Coalition, by issuing a check to "Riverside County Business & Property Owners" for \$200.00. Respondent told Supervising Investigator Pellón, in an interview on October 31, 2000, that he asked his nephew to make political contributions to Perris candidates in 1997. As noted in Count 26, Respondent played a pivotal role in raising contributions for the Riverside Coalition, a political committee that only participated in the 1997 elections in the City of Perris, and only supported three candidates, Al Landers, Raul Mark Yarbrough, and Cecilia Larios.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Michael Flaherty's \$200.00 check on or about October 27, 1997.

A photocopy of canceled check #1360, from Respondent's business bank account, and the personal bank records of Flaherty, further establish that Respondent was the true source of the Michael Flaherty contribution to the Riverside Coalition, in that Respondent reimbursed Michael Flaherty for his campaign contribution to that committee. On or about the day the contribution check was issued, Respondent issued a check to "Mike Flaherty" from his business checking account for \$550.00, which Michael Flaherty subsequently deposited into his personal checking account on or about October 23, 1997.

By making a \$200.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 32: On or about October 23, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Karen Flaherty, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

In an interview conducted by Supervising Commission Investigator Dennis Pellón on October 31, 2000, Respondent stated that Karen Flaherty is his younger sister. Respondent went on to state that, at all times pertinent hereto, his sister worked for a pharmaceutical company in Delaware.

A photocopy of canceled check #4131, from Karen Flaherty's personal bank account, establishes that on or about October 22, 1997, Karen Flaherty made a campaign contribution to the Riverside Coalition, by issuing a check to the "Riverside County Business & Property Owners Coalition" for \$200.00. Respondent told Supervising Investigator Pellón, in an interview on October 31, 2000, that he asked his sister to make political contributions to Perris candidates in 1997. As noted in Count 26, Respondent played a pivotal role in raising contributions for the Riverside Coalition, a political committee that only participated in the 1997 elections in the City of Perris, and only supported three candidates, Al Landers, Raul Mark Yarbrough, and Cecilia Larios.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Karen Flaherty's \$200.00 check on or about October 27, 1997.

A photocopy of canceled check #1360, from Respondent's business bank account, the personal bank records of Michael Flaherty, and the personal bank records of Karen Flaherty, further establish that Respondent was the true source of the Karen Flaherty contribution to the Riverside Coalition, in that Respondent reimbursed Karen Flaherty for her campaign contribution to that committee. Before the contribution check was issued, Respondent issued a check to "Mike Flaherty" from his business checking account for \$550.00. On or about October 22, 1997, Michael Flaherty issued a check to "Karen Flaherty" for \$200.00, which she subsequently deposited into her personal checking account. The following day, on or about October 23, 1997, Michael Flaherty deposited Respondent's check for \$550.00 into his personal checking account.

By making a \$200.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 33: On or about October 23, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Anne Cain, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 13 and 14, Anne Cain told Supervising Commission Investigator Dennis Pellón, in interviews conducted on September 12, 2000 and October 31, 2000, that she was, at all times pertinent hereto, a sales representative for a local cleaning company who did some work for Respondent in 1997, primarily cleaning his home.

A photocopy of canceled check #2785, from Cain's personal bank records, establishes that on or about October 23, 1997, Cain made a campaign contribution to the Riverside Coalition, by issuing

a check to the “Riverside County Business PAC” for \$250.00. Cain told Supervising Investigator Pellón, in the interview on October 31, 2000, that her boyfriend at the time, Daniel Auld, was a good friend of Respondent, and that Auld asked her to make a campaign contribution to the Riverside Coalition. She said that she therefore issued a \$250.00 check to that committee. As noted in Count 26, Respondent played a pivotal role in raising contributions for the Riverside Coalition, a political committee that only participated in the 1997 elections in the City of Perris, and only supported three candidates, Al Landers, Raul Mark Yarbrough, and Cecilia Larios.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Cain’s \$250.00 check on or about October 27, 1997.

A photocopy of canceled check #1396, from Respondent’s business bank account, and the personal bank records and corroborating statement of Cain, further establish that Respondent was the true source of the Cain contribution to the Riverside Coalition. On or about October 23, 1997, the day the contribution check was issued, Respondent reimbursed Cain for her campaign contribution to the Riverside County Business PAC, by issuing a check to “Ann Cain” from his business checking account for \$450.00, which Cain subsequently deposited into her personal checking account.

In her interview on October 31, 2000, Cain told Supervising Investigator Pellón that she never would have made the campaign contribution to the Riverside Coalition, or the contributions alleged in Count 13 and 14, had she not known she was going to be paid back.

By making a \$250.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 34: On or about October 23, 1997, Respondent Colin Flaherty made a campaign contribution to the Riverside County Business & Property Owners Coalition in the name of Brian Devine, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Count 16, Brian Devine told Supervising Commission Investigator Dennis Pellón and Investigator Don McCormick, in interviews conducted on September 21, 2000 and October 31, 2000, that he is a long-time friend of Respondent, and a high school basketball coach and referee who did some work for Respondent in 1997.

A photocopy of canceled check #2777, from Devine’s personal checking account, establishes that on or about October 15, 1997, Devine made a campaign contribution to the Riverside Coalition, by issuing a check in the amount of \$250.00 to “Riverside County Business & Property Coalition.” Devine told Supervising Investigator Pellón, in the interview on October 31, 2000, that the check was a campaign contribution to the Riverside Coalition that he made at the behest of Respondent. As noted in Count 26, Respondent played a pivotal role in raising contributions for the Riverside Coalition, a political committee that only participated in the 1997 elections in the City of Perris, and only supported three candidates, Al Landers, Raul Mark Yarbrough, and Cecilia Larios.

A photocopy of canceled check #2802, also from Devine’s personal checking account, establishes that on or about October 23, 1997, Devine made another campaign contribution to the Riverside Coalition, by issuing a second check in the amount of \$250.00 to the “Riverside BPOC.”

Devine told Supervising Investigator Pellón, in the interview on October 31, 2000, and in a follow-up telephone call on November 3, 2000, that there were insufficient funds in his bank account to cover his first contribution, and Respondent asked him to issue a second contribution check, which he did on or about October 23, 1997, by issuing a check to “Riverside BPOC” for \$250.00.

According to the campaign statement filed by the Riverside Coalition for the reporting period 1/1/97-12/31/97, the committee received Devine’s second \$250.00 check on or about November 3, 1997.

A photocopy of canceled check #1392, from Respondent’s personal bank account, and the bank records of Devine, further establish that Respondent was the true source of the Devine contribution to the Riverside Coalition. After the contribution checks were issued, on or about November 14, 1997, Respondent reimbursed Devine for his campaign contribution to the Riverside BPOC, by issuing a check to Devine from his personal checking account for \$500.00, which Devine subsequently deposited into his personal checking account.

As noted in Count 16, in his interview on October 31, 2000, Devine denied being reimbursed for his campaign contributions in his interviews with Commission investigators. However, Devine’s personal bank records show that he was not in a financial position to make contributions without reimbursement. Devine had at least four checks returned due to insufficient funds in October 1997, and was receiving state unemployment benefits at the time he made the contribution.

By making a \$250.00 contribution to the Riverside Coalition in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 35: On or about September 9, 1998, Respondent Colin Flaherty made a campaign contribution to Encinitas City Council candidate John Davis in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.  
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As noted in Counts 5, 6, 15, and 26, Arthur J. (“Jim”) Johnston told Supervising Commission Investigator Dennis Pellón, on September 26, 2000, December 19, 2000, and June 2, 2003, that he is, and was at all times pertinent hereto, a friend of Respondent, and a self-employed marketing consultant who did work for Respondent in 1997 and 1998.

A photocopy of canceled check #3788, from Johnston’s personal checking account, establishes that on or about September 9, 1998, Johnston made a campaign contribution to Encinitas City Council candidate John Davis, by issuing a check to “John Davis for Council” for \$99.00. Johnston told Supervising Investigator Pellón, in the interview on June 2, 2003, that the check was a campaign contribution to John Davis. According to a campaign statement filed by the John Davis for Council committee, for the reporting period 10/1/98-10/17/98, John Davis was a candidate for the Encinitas City Council. Johnston told Supervising Investigator Pellón, in an interview on June 2, 2003, that he made this contribution, as well as the contribution alleged in Count 36, at the behest of Respondent, and that he gave the contribution checks to Respondent. He explained that he did not know John Davis, or the city in which he ran.

According to the campaign statement referenced above, the John Davis for Council committee received Johnston’s \$99.00 check on or about October 2, 1998.



The personal bank records and admission of Johnston further establish that Respondent was the true source of the Johnston contribution to Encinitas City Council candidate John Davis. On or about the day the contribution check was issued, Respondent reimbursed Johnston, in cash, for his campaign contribution to John Davis for Council. A photocopy of a deposit slip, dated September 9, 1998, shows that Johnston made a cash deposit of \$200.00 into his personal checking account.

In his interview with Supervising Investigator Pellón on June 2, 2003, Johnston stated that that he received the \$200 in cash from Respondent as reimbursement for his campaign contribution to John Davis, and for the contribution alleged in Count 36. Johnston went on to state during the same interview that Respondent offered to reimburse him at the same time he solicited the contributions.

By making a \$99.00 contribution to the campaign of John Davis in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 36: On or about September 9, 1998, Respondent Colin Flaherty made a campaign contribution to Encinitas mayoral candidate Lou Aspell in the name of Arthur J. Johnston, a name other than his own name, in violation of sections 84301 and 84300, subdivision (c) of the Government Code.

As noted in Counts 5, 6, 15, 26, and 35, Arthur J. (“Jim”) Johnston told Supervising Commission Investigator Dennis Pellón, on September 26, 2000, December 19, 2000, and June 2, 2003, that he is, and was at all times pertinent hereto, a friend of Respondent, and a self-employed marketing consultant who did work for Respondent in 1997 and 1998.

A photocopy of canceled check #3787, from Johnston’s personal checking account, establishes that on or about September 9, 1998, Johnston made a campaign contribution to Encinitas mayoral candidate Lou Aspell, by issuing a check to “Lou Aspell for Mayor” for \$99.00. Johnston told Supervising Investigator Pellón, in the interview on June 2, 2003, that the check was a campaign contribution to Lou Aspell. According to the campaign statement filed by the Lou Aspell for Mayor committee, for the reporting period 7/1/98-9/30/98, Lou Aspell was a candidate for the Encinitas City Council. Johnston went on to say during that same interview that he made this contribution, as well as the contribution alleged in Count 35, at the behest of Respondent, and that he gave the contribution checks to Respondent.

The personal bank records and admission of Johnston further establish that Respondent was the true source of the Johnston contribution to Encinitas mayoral candidate Lou Aspell. On or about the day the contribution check was issued, Respondent reimbursed Johnston, in cash, for his campaign contribution to Lou Aspell for Mayor. A photocopy of a deposit slip, dated September 9, 1998, shows that Johnston made a cash deposit of \$200.00 into his personal checking account.

As noted in Count 35, in his interview with Supervising Investigator Pellón on June 2, 2003, Johnston stated that that he received the \$200 in cash from Respondent as reimbursement for his campaign contribution to Lou Aspell, and for the contribution alleged in Count 35. Johnston went on to state during the same interview that Respondent offered to reimburse him at the same time he solicited the contributions.

By making a \$99.00 contribution to the campaign of Lous Aspell in other than his own name, Respondent violated sections 84301 and 84300, subdivision (c) of the Government Code.

Count 37: In 1997, Respondent Colin Flaherty made campaign contributions in excess of \$10,000 but failed to file a semi-annual major donor campaign statement, in violation of section 84200, subdivision (b) of the Government Code.

In 1997, during the semi-annual reporting period of July 1, 1997 through December 31, 1997, Respondent made \$12,743 in contributions, set forth in the chart below, and thereby qualified as a “major donor committee” under the Act. As such, Respondent was required to file a semi-annual campaign statement, commonly known as a “major donor statement” by February 2, 1998, disclosing his contributions for the period January 1, 1997 through December 31, 1997, since no previous campaign statement was filed for 1997, and January 31, 1998 fell on a Saturday that year.

A review of Respondent’s personal and business bank records for 1997 reveals that Respondent made numerous campaign contributions directly to various candidates and committees. The evidentiary basis for each such contribution is a photocopy of Respondent’s canceled check, as noted in the chart below.<sup>7</sup>

Respondent made a number of other contributions, consisting of payments for goods and services, at the behest of a candidate. The evidentiary basis for the in-kind contributions is shown in the chart and discussed in detail below.

In 1997, Respondent made the following contributions:

RECIPIENT	DATE OF CONTRIB	AMT OF CONTRIB	JURISDICTION	SUMMARY OF EVIDENCE
Vince Andrade Committee	7/01/97	95.00	San Marcos	CF #1605
Hal Martin Committee	7/01/97	95.00	San Marcos	CF #1604 Recipient’s Camp stmt (7/1/97-12/31/97)
Larios for Council	5/27/97	95.00	Perris	CF #1591
Yarbrough for Council	5/27/97	95.00	Perris	CF #1590
Landers for Council	5/27/97	95.00	Perris	CF #1589
Committee To Elect Al Landers (in-kind contrib)—signs and slogans	8/12/97	500.00	Perris	FC #1310 Witness statement
Committee To Elect Al Landers (in-kind contrib)—billboard	9/12/97	1,000.00	Perris	FC #44314 Witness statement
Larios for City Council (in-kind contrib) – mailers	10/07/97	1,500.00	Perris	FC #1579 Witness statement

<sup>7</sup> As noted in footnote 2, CF# stands for a check drawn on Respondent’s personal checking account, and FC# stands for a check drawn on Respondent’s business checking account, Flaherty Communications.

Riverside Coalition	10/07/97	250.00	Perris	FC #1371
Larios for City Council (in-kind contrib.)— mailers	10/27/97	1,700.00	Perris	FC #1393 FC #1394 Vendor invoices
Larios for City Council (in-kind contrib.)— mailers	11/03/97 (on or about)	2,500.00	Perris	FC #1413 Witness statement
Ron Roberts Supervisor 98	12/12/97	250.00	San Diego	CF #1570
Subtotal		\$ 6,475.00		
See Counts 1-34 (Reimbursed contributions)	07/01/97- 10/23/97 (on or about and between)	4,370.00	Perris San Marcos	See Counts 1-34
Total		\$ 12,743.00		

In his interviews on December 19, 2000 and June 2, 2003, Jim Johnston told Supervising Investigator Dennis Pellón that Respondent paid him a total of \$4,500.00 in 1997 for work he performed on campaigns being conducted in the City of Perris. He stated that he was paid the \$4,500 by three checks: FC #1310 (identified in the chart above) was a check that he said he received for services and expenses related to developing strategy for signs and slogans for Perris mayoral candidate, Al Landers; FC #1579 and FC #1413 (also identified in the chart above) were checks that Johnston said he received for services and expenses related to developing mail pieces for Perris City Council candidate Cecilia Larios.

A review of Respondent's bank records also reveal that Respondent wrote two checks to Western Graphics, a vendor in Lemon Grove, on or about October 27, 1997: FC#1393 for \$1,300.00, and FC#1394 for \$400.00. In response to the Enforcement Division's request for information regarding the transactions underlying those two payments, Western Graphics produced three invoices and one job confirmation document which show on or about October 27, 1997, Western Graphics created and affixed labels for, and mailed four campaign mailers on behalf of, the Cecilia Larios for City Council campaign. The address referenced on the invoices and the job confirmation, "919 West Grape Street, San Diego" is an address for Jim Johnston.

A photocopy of canceled check #FC44314 from Respondent's business bank account, identified in the chart above, shows that Respondent wrote a check to Rita Peters for \$1,000.00 on or about September 12, 1997. Rita Peters told Supervising Investigator Pellón, in an interview on or about February 21, 2001, that the purpose of the \$1,000.00 check was to pay for a billboard endorsing Al Landers in the 1997 Perris elections. According to Peters, Respondent paid for the billboard, at the behest of Landers. Landers acknowledged that he failed to report the \$1,000 in-kind contribution from Respondent, in the form of a billboard, on his campaign statement for the reporting period 7/1/97-9/30/97. (FPPC No. 98/134, *In the Matter of Alfred Landers, et al.* (2001).)

By failing to file a major donor campaign statement, by February 2, 1998, for the reporting period January 1 to December 31, 1997, Respondent violated section 84200, subdivision (b) of the Government Code.

Count 38: In 1998, Respondent Colin Flaherty made campaign contributions in excess of \$10,000 but failed to file a semi-annual major donor campaign statement, in violation of section 84200, subdivision (b) of the Government Code.

In 1998, Respondent made \$14,542 in contributions. Respondent qualified as a “major donor committee” during the second semi-annual reporting period of July 1, 1997 through December 31, 1997, and therefore was required to file a major donor campaign statement by February 1, 1999, disclosing his contributions for the period January 1, 1998 through December 31, 1998, since no previous campaign statement was filed for 1998, and January 31, 1998 fell on a Sunday that year.

A review of Respondent’s personal and business bank records for 1998 reveals that Respondent made numerous campaign contributions directly to various candidates and committees. The evidentiary basis for each such contribution is a photocopy of Respondent’s canceled check, as noted in the chart below.<sup>8</sup>

Respondent made a number of other contributions, consisting of payments for goods and services, at the behest of a candidate. The evidentiary basis for the in-kind contributions is shown in the chart and discussed in detail below.

In 1998, Respondent made the following contributions:

RECIPIENT	DATE OF CONTRIB	AMT OF CONTRIB	JURISDICTION	ACCT/CHECK
Bryon Wear for City Council	2/09/98	250.00	San Diego	CF #1223
Friends of Pam Slater	2/26/98	250.00	San Diego	CF #1702
Committee to Elect Juan Vargas	4/04/98	250.00	San Diego	CF #1717
Hal Ryan for Council	5/15/98	250.00	Santee	CF #1786
Lori Howard for Council	5/16/98	250.00	Santee	CF #1785
Governor Pete Wilson Committee (table at birthday)	8/11/98	2,500.00	State	FC #1749 Recipient’s camp stmt (7/1/98-9/30/98)
Governor Pete Wilson Committee (in-kind contrib)—cake, balloons, pictures	8/17/98	954.00	State	Recipient’s camp stmt (7/1/98-9/30/98)
Governor Pete Wilson Committee (in-kind contrib)—music	8/17/98	2,000.00	State	Recipient’s camp stmt (7/1/98-9/30/98)
Governor Pete Wilson Committee (in-kind contrib)—music	8/17/98	1,000.00	State	Recipient’s camp stmt (7/1/98-9/30/98)
Lou Aspell for Mayor	9/09/98	100.00	Encinitas	CF #1887 Recipient’s camp stmt (7/1/98-9/30/98)

<sup>8</sup> As noted in footnote 2, CF# stands for a check drawn on Respondent’s personal checking account, and FC# stands for a check drawn on Respondent’s business checking account, Flaherty Communications.

John Davis for Council	9/09/98	100.00	Encinitas	CF #1888 Recipient's camp stmt (10/1/98- 10/17/98)
Friends of Curt Pringle	9/21/98	5,700.00	State	CF #1892 Recipient's camp stmt (7/1/98- 9/30/98)
Raquel Olamendi for Council	10/12/98	95.00	Dana Point	CF #1231
Mike Winterhalter for Council	10/12/98	95.00	Dana Point	CF #1232
Bill Horn for Supervisor	10/19/98	250.00	San Diego	CF #1261
Raquel Olamendi for Council	11/10/98	300.00	Dana Point	CF #1110 Recipient's camp stmt (10/18/98- 12/31/98)
Subtotal		\$14,344.00		
See Counts 35-36	09/09/98	198.00	Encinitas	See Counts 35-36
Total		\$14,542.00		

By failing to file a major donor campaign statement, by February 1, 1999, for the reporting period January 1 to December 31, 1998, Respondent violated section 84200, subdivision (b) of the Government Code.

## CONCLUSION

Making a contribution in another person's name is one of the most serious types of violations of the Act, because it denies the public of information about where a candidate receives his or her financial support. In this instance, the public did not know that Respondent was a large financial supporter and a primary source of money to three candidates in the 1997 elections in the City of Perris.

The methods used by Respondent to launder the contributions were rather sophisticated in several respects: 1) He made payments to the Perris candidates under \$100.00, and treated the persons who worked for him as independent contractors, not employees, so that his name did not have to be reported on the recipients' campaign statements as a contributor or the employer of the contributor; 2) His reimbursements were often not in amounts exactly matching the contributions, or were made in cash, making detection of the laundering scheme more difficult; 3) He failed to produce any personal or business records documenting his business expenses and disbursements, or political contributions, further making his reimbursement payments more difficult to detect; and 4) He injected money into the campaigns of the three Perris candidates by making payments to an outside committee, the Riverside County Business & Property Owners Coalition, creating yet another layer of concealment for his money laundering scheme.

At the time Respondent engaged in his laundering scheme, Respondent had an interest in having the City of Perris approve a change to a project for one of his clients. In his interview with Supervising Investigator Pellón on October 31, 2000, Respondent stated that his client, Barratt

American Homes, had issues in the City of Perris, and stood to gain or lose money depending upon actions taken by the Perris City Council with respect to the amount of the building fees that would be required of the developer in connection with a project, i.e., “McCanna Ranch,” now “Village of Avalon.”

Respondent does not have any history of prior enforcement actions being taken against him.

This matter consists of thirty-eight counts, and carries a maximum possible administrative penalty of Seventy-Six Thousand Dollars (\$76,000). The facts of this case, including the mitigating and aggravating circumstances addressed herein, justify imposition of a total administrative penalty of Seventy-Six Thousand Dollars (\$76,000).

PROOF OF SERVICE

I, Judy A. Campbell, declare:

I am a citizen of the United States, over the age of 18 years, and not a party to the within action. My business address is Riverside County District Attorney's Office, 4075 Main Street, 1<sup>st</sup> Floor, Riverside, CA 92501.

On May 16, 2003, at 1:27 pm o'clock, I served:

1. Order Re Probable Cause
2. Accusation
3. Statement of Respondent
4. Two copies of the Notice of Defense
5. Copy of Government Code Sections 11506, 11507.5, 11507.6, and 11507.7

in the above matter by personal delivery to:

MR. Colin Patrick Flaherty  
39246 Mango Bay Lane, Unit B  
Murrieta, CA 92563

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 16, 2003, at Riverside, California.

Judy A. Campbell  
Investigative Technician II